

State of South Dakota

EIGHTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 2008

661P0664

SENATE BILL NO. 157

Introduced by: Senators Gant and Sutton and Representatives Novstrup (David) and Willadsen

1 FOR AN ACT ENTITLED, An Act to revise the surety bond requirements for persons
2 employed by mortgage brokerages.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 54-14-12 be amended by adding thereto a NEW SUBDIVISION to read
5 as follows:

6 "Mortgage brokerage," any person engaged in placing loans with investors for a fee, but does
7 not service such loans;

8 Section 2. That § 54-14-24 be amended to read as follows:

9 54-14-24. Any applicant for a license shall submit with the application a bond in the amount
10 of twenty-five thousand dollars. The bond shall be issued by a surety company qualified to do
11 business as a surety in this state. The bond shall be in favor of this state for the use of this state
12 and any person who has a cause of action under this chapter against the licensee. The bond shall
13 be conditioned on:

14 (1) The licensee's faithful performance under this chapter and any rules adopted pursuant
15 to this chapter; and



1 (2) The payment of any amounts that are due to the state or another person during the
2 time the bond is in force.

3 The bond may be continuous, and regardless of how long the bond remains in force, the
4 aggregate liability of a surety to all persons damaged by a licensee's violation of the provisions
5 of this chapter may not exceed the amount of the bond. The bond may be cancelled by the surety
6 upon thirty days notice to the licensee and the director, and the surety's liability on the bond
7 shall also terminate upon the effective date of any suspension or revocation of the license.

8 A mortgage brokerage may obtain one bond to satisfy the bond requirement for individual
9 applicants employed by the mortgage brokerage.